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AIR POUCH

HANDLING INDICATOR

TO : Department of State

1963 MAR 6 AM 11 13

INFO : DHAHRAN, CHUSMTM, COMIDEASTFOR.

RM/AN
ANALYSIS & DISTRIBUTION
BRANCH

FROM : Amembassy JIDDA

SUBJECT : Joint Weeka No. 8

REF

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MILITARY

Negative

POLITICAL/ECONOMIC

1. 'Id Interlude. Operations of SAG ground to abrupt and total halt February 24 when four day long 'Id al-Fitr began following month of Ramadan. Princes, bureaucrats and average citizens fled their palaces, offices and residences to enjoy the holidays. Newspapers ceased publication. Most shops are closed. February 28 should witness community's return to normal routines. (UNCLASSIFIED)

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Drafted by:

CEMarthinsen/MDraper/RLPhillips:lf 2-25-63

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2. Ship Visits - USS Lloyd Thomas, Destroyer USS Lloyd Thomas arrived Jidda February 20 departed for Yanbu, about 200 miles northwest of Jidda on February 24. Yanbu visit, hurriedly arranged at urgent request of SAG, scheduled for period February 25-26. Thereafter Lloyd Thomas will steam slowly north along Red Sea coast to Suez. (LIMITED OFFICIAL USE)

Visit to Jidda coincided with last days of Ramadan and preparations for Id. Thus ship's representational activities limited. (UNCLASSIFIED)

Comments: SAG request for visit to Yanbu evidence Saudi uneasiness in wake Najran bombings and more serious paratroop near coast between Jidda-Yanbu. Call by Lloyd Thomas at Yanbu should reassure population Yanbu-Medina area. (CONFIDENTIAL)

3. Display of Paratroop Arms. February 20 diplomatic corps invited, via circular note from Foreign Office, to witness display of 119 bundles arms parachuted onto Saudi Red Sea coast February 16. Belgian rifles, French mortars, British hand grenades, among materials spread around central courtyard of Jidda Garrison. Foreign Office officials, including Deputy Foreign Minister Umar SAQQAB, local Saudi military, and press and radio representatives presided over display while foreign diplomats' comments, answers to loaded questions were taped for Mecca Radio broadcasts. Commander, Jidda Garrison asserted to Embassy officer his conviction that all bundles dropped February 16 were recovered; but USMIM sources report no 30 cal. machine guns found although ammunition for them was. SAG publicly accused UAR of dropping arms. Jidda rumors have it that not all bundles dropped have been recovered by SAG and that other drops have taken place, possibly in Riyadh area or in Eastern Province. (CONFIDENTIAL)

4. King May Return to Saudi Arabia. Embassy Bern reported that Saudi Ambassador 'Abd al-'Aziz bin MU'ANNAH in conversation February 22 stated King SAUD plans return to Saudi Arabia in about one month. (CONFIDENTIAL)

5. Saudi Airlines Reconstituted as Autonomous Corporate Entity. Through promulgation of Royal Decree Number 38 of February 18 Saudi Airlines (SAL) has been reconstituted as an autonomous corporate entity through which operations will presumably be established on orderly profit and loss basis. New charter gives SAL exclusive rights as sole air carrier handling traffic within the Kingdom, operating under a board of directors consisting of four government officials (i.e., Deputy Ministers of Finance, Communications and Commerce, and Director General of Civil Aviation); 12 private citizens; c) the Director General of the Air Force; and d) a Chairman of the Board (presumably a private citizen) nominated by Minister of Defense and Civil Aviation (MODA) and endorsed by the Council of Ministers. (UNCLASSIFIED)

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Jidda

Comments: Although SAG will continue to exercise a number of controls, principally budgetary, over the new airline, SMI is freed from many of the shackles which have in the past hampered its operation. Step also should pave way for negotiation of mutually satisfactory contract with TWA. (OFFICIAL USE ONLY)

6. Labor Troubles in Neutral Zone. February 16-17, strike at Getty OIL operation in Neutral Zone occurred. Although reasons for strike obscure, may have been aimed at removing Arab manager, Nabil ABU SAUD, and other senior employees. Negotiations reportedly are currently underway between the Saudi strikers and the Getty management to resolve differences. On February 22 one day strike began in Arabian OIL Company (Japanese) installation over dismissal Saudi who struck his Palestinian foreman, complicated by minor incident involving Japanese foreman. Saudi Government ordered reinstatement Saudi workman and deportation two Japanese foreman.

Average sources have reviewed current labor situation and have concluded it neither ominous nor particularly threatening. Lack of effective channel of communication with workers could have caused misjudgment of their temper. The fasting month of Ramadan is a particularly trying time for such disputes to occur. (LIMITED OFFICIAL USE)

MILITARY

Negative

PSYCHOLOGICAL

[REDACTED]

For the Ambassador

Nicholas G. Trachner

Nicholas G. Trachner
Counselor of Embassy

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Handwritten: 12-2-72